(b) and (c) The Board of Directors of HFC considered the matter in their meeting held on 9.2.1992 and unanimously resolved that in view of the critical financial position of the Company, attempt should be made to find alternative employment for the staff working in FP&ARD; failing alternative employment within six months, the employees may be retired/discharged/retrenched in accordance with the rules. By that time, the Company had not been referred to the BIFR. However, no staff was retrenched. The matter was again considered by the Board in March, 1993, and the Board took note of the fact that the Company management had sent a detailed note to the Government bringing out the difficultiees in continuing with the FP&ARD without any grant from the Government/external funding agencies. The Board, however, directed that the management may continue using the existing staff of FP&ARD and incur minimum possible expenditure till the decision of the Government was conveyed to the Company.

**Rate of Natural Gas to Produce Urea**

2290. SHRI BHUPINDER SINGH MANN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the rate at which natural gas is made available to fertilizer plants for preparing urea;

(b) the cost of urea-production; and

(c) what is the conversion cost of urea in other countries of the world, and details of the cost of each component of urea separately?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) At present, the price of natural gas supplied to fertilizer plants at landfall point is Rs. 1750.00 per thousand cubic metres, excluding royalty, sales tax and transport charges. For gas supplied on HBJ pipeline, transport charges @ Rs. 850.00 per thausand cubic metres are payable in eddition. The price of gas in the North East region is Rs. 1000/- per thousand cubic metres. A discount upto a maximum of Rs. 400/- per thousand cubic metres is also available in the North East on a case-basis.

(b) The cost of production of urea by indigenous manufacturers varies from unit to unit depending upon the installed capacity, technology and feedstock used, as also the vintage of the unit. However, the current weighted average retention price (i.e. cost of production plus reasonable return on networth as determined by the Government for each unit) of urea is about Rs. 4900/- per tonne.

(c) The details of cost of production of urea in other countries is not available as the foreign suppliers do not normally divulge these facts.

**Impact of Decentralisation of imports & Decontrol of Fertilizers on Fertilizer Industry**

2291. SHRI KRISHNA KUMAR BHLA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have made any critical analysis of the impact on the production and consumption scenario of fertilizers and overall setback to the fertilizer industry with the hike in the prices followed by decentralisation of imports besides decontrol of phosphatic and potassic fertilizers;

(b) if so, the details thereof; and

(c) what measures are contemplated by Government to resolve the problems of the fertilizer industry?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (c) Decontrol of prices of phosphatic and potassic fertilizers led to increase in their prices in the open market, resulting in lower offtake. Lower off-take, couped with